

Message Text

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21

ACTION EUR-12

INFO OCT-01 EA-06 IO-10 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 PRS-01

NSCE-00 SSO-00 USIE-00 INRE-00 /101 W

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O R 121946Z FEB 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 8273

INFO ALL EC CAPITALS 340

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION NATO BRUSSELS

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C O R R E C T E D C O P Y (SECSTATE CHANGED TO IMMEDIATE ADDEE)

E.O. 11652: N/A

TAGS: EEC, ENRG

SUBJECT: SIMONET PRESS CONFERENCE, FEBRUARY 12

1. BEGIN SUMMARY. ON THE EVE OF THE EC ENERGY COUNCIL, SIMONET
OUTLINED TO THE PRESS WHAT HE DESCRIBED AS CURRENT EC COMMISSION
THINKING ON THE QUESTION OF PROTECTION FOR INVESTMENT IN
ALTERNATIVE ENERGY SOURCES. THE PROPOSAL HE OUTLINED INCLUDED
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THE CONCEPT OF VARIOUS PRICE LEVELS BUT SIMONET ALSO TALKED

ABOUT HIGHER COST ENERGY PROJECTS IN WHICH GROUPS OF EC MEMBERS MIGHT PARTICIPATE. END SUMMARY.

2. IN A PRESS CONFERENCE ON FEBRUARY 12 INTENDED AS A CURTAIN RAISER FOR THE ENERGY COUNCIL MEETING FEBRUARY 13, EC COMMISSION VICE PRESIDENT SIMONET OUTLINED THE FOLLOWING APPROACH WHICH HE DESCRIBED AS THE TREND OF COMMUNITY THINKING.

3. IN A NOT VERY CLEAR FASHION, SIMONET DESCRIBED A SYSTEM OF THREE LEVELS:

A. THE FIRST LEVEL HE DESCRIBED IN TERMS OF A PRICE REPRESENTING THE MARGINAL COST OF ENERGY IN GREATEST DEMAND. HE SAID THIS IS THE PRICE AT WHICH ECONOMIC DEVELOPMENT IN THE COMMUNITY CAN CARRY ON UNDER SATISFACTORY CONDITIONS.

B. THE SECOND LEVEL WAS DESCRIBED BY SIMONET AS A HIGHER PRICE NECESSARY TO PERMIT THE COMMUNITY TO ACHIEVE THE OBJECTIVE OF A GREATER DEGREE OF AUTONOMY IN ENERGY.

C. THE THIRD LEVEL DID NOT SEEM TO BE RELATED TO A PRICE BUT TO VERY HIGH COST ENERGY PROJECTS BEYOND THOSE NECESSARY TO ACHIEVE THE AGREED LEVEL OF ENERGY AUTONOMY IN THE COMMUNITY.

4. WHEN QUESTIONED ABOUT THE RELATIONSHIP OF THIS APPROACH TO THE US PROPOSAL, SIMONET INDICATED HE BELIEVED COMPROMISE WOULD BE POSSIBLE. HE SAID THE COMMUNITY WAS OPEN TO THE IDEA OF A FLOOR PRICE IF IT WAS SET AT A LEVEL THAT WOULD NOT COMPROMISE ECONOMIC DEVELOPMENT. HE SAID IN NOVEMBER THE US HAD BEEN CONSIDERING \$11 A BARRELL WHICH WAS TOO HIGH BUT AT \$6 OR \$7 A BARREL HE THOUGHT AGREEMENT MIGHT BE POSSIBLE. HE SAID HE WOULD BE GOING TO WASHINGTON ON FEBRUARY 24 AND WOULD DISCUSS THESE QUESTIONS.

5. SIMONET INDICATED THAT HE HOPED THE QUESTION OF PROTECTION FOR ALTERNATIVE SOURCES WOULD BE DISCUSSED AT THE ENERGY COUNCIL ON FEBRUARY 13.

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6. A SOURCE IN SIMONET'S CABINET INDICATED THAT THERE WAS NO COMMISSION, LET ALONE COMMUNITY, AGREEMENT ON THE PLAN OUTLINED BY SIMONET IN HIS PRESS CONFERENCE. HE SAID AT PRESENT THERE WAS NOT EVEN ANY OFFICIAL DOCUMENT BUT THAT WORK WAS UNDERWAY AND IT WAS ANTICIPATED THAT THE SUBJECT WOULD BE ON THE AGENDA FOR THE MEETING OF THE COMMISSION ON FEBRUARY 26. GREENWALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, FOREIGN INVESTMENTS, PROGRAMS (PROJECTS), PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU01254
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750052-0130
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750251/aaaabtnh.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2003 by BoyleJA>; APPROVED <07 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SIMONET PRESS CONFERENCE, FEBRUARY 12
TAGS: ENRG, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006